

EIR Feature

The lessons of Classical tragedy for today's crisis

by Helga Zepp LaRouche

Mrs. LaRouche is the president of the Schiller Institute in Germany, and chairman of the advisory board of the Schiller Institutes internationally. The following is the keynote speech given by her to a conference of the Schiller Institute in Bad Schwalbach, Germany, on Dec. 13, 1997. Subheads have been added.

I want to speak to you today about the present as tragedy, and I welcome you, dear honorable guests, and dear members of the Schiller Institute.

There is no question, that we are living today in an ongoing, unprecedented crisis of civilization. This period is one with the most profound changes in all of history. We are, right now, possibly, living in the last days of a self-doomed world order. And, in my personal view, the most horrifying aspect of what is unfolding in front of our eyes every day, is the incredible blindness of almost everybody in positions of power, in positions of government, about the approaching monstrosity—that which we can feel and see on the horizon, which is coming, and to which the governments are blinding themselves, and are not reacting.

Most of our statesmen in positions of power are, at best—and I say, *at best*—tragic figures of the type of Hamlet or Wallenstein. At least, these people, who have the character of a tragic nature, are struggling with the apparent antinomy of power and justice. And those better ones, at least, torment themselves about the conflict between the limitless privilege of a few, and the suffering and dying of millions of people. It seems to me that [Czech] President Havel has become such a figure, though he is not saying anything different than we have been saying for the last five, six, or seven years; but, at least he's saying it now. What Havel said, is that many people in the Czech Republic believe that power is again in the hands of those for whom their own well-being is more important than that of the general population. This recognition is not enough: It is the first step, but now action has to follow, which makes it efficient.

The problem is, however, that most politicians, most leading government offi-



Helga Zepp LaRouche speaks at the Schiller Institute's conference in Bad Schwalbach, Germany, Dec. 13. The great tragic works of Aeschylus, Schiller, and Shakespeare, she said, show us the way to deal with the crisis mankind now faces.

cials, are not even on that level. They are behaving more like the stupid captain on the *Titanic*, who believed the propaganda of his masters, that the ship he was in charge of, was unsinkable. So, because of this propaganda, this stupid captain ordered his crew to put the ship on maximum steam, in an area where it was commonly known that icebergs were floating around, and then this captain went to sleep. Lo and behold! The ship hit an iceberg; because the ship was going at such a high speed, it ripped into all the different compartments of the ship, and, naturally, it sank. And, because there were not enough lifeboats, many people—the captain, passengers, crew—died.

This was completely unnecessary, because everybody could have been saved. There was no stormy weather, or other impossible conditions. Yet here you have a case where a whole ship goes under, because they stuck to their wrong ideology.

The global financial crisis

We are not only confronted, right now, with a systemic, global financial crisis—and this financial system is disintegrating by the day; but, at the same time, we are faced with a gigantic moral and cultural crisis, which is smashing country after country. I just want you to think about what has happened in the last year: Albania; North Korea—a whole country starving; Zaire-Congo—torn apart in a horrible war of aggression. The established foundations of many societies are being shattered. The lives and livelihoods of hundreds of millions

of people are being destroyed around the globe. And this is only the beginning. With the ever-faster-following catastrophes to the global financial system, ever since late October, no politician has the right to be stupid about the dimension of the problem, and to believe that the line of the IMF, or the media for that matter, is true, namely, that the system is sound; that the crisis in Southeast Asia will not reach the United States or Europe.

The events of these days totally confirm Lyndon LaRouche's forecast in February of this year, that there would be a systemic crisis of the financial system, no later than October. The sequence of the seismic shocks grows faster and faster. You have desperate attempts every day, to bail out one country or another, with so-called IMF packages, many times now in the two-digit billion figure, combined with absolutely brutal austerity measures; and then, within weeks, or within days, the crisis breaks out again on a higher level. As long as this foolishness continues, the crisis will get worse and worse.

As of now, the policies of U.S. Federal Reserve Chairman Alan Greenspan, and the director of the IMF, Michel Camdessus, are to go for a hyperinflationary bailout of the totally bankrupt banking system. And, they are doing now what was exactly the cause of the hyperinflation in Weimar Germany between 1922 and '23. The only difference is, this time it is not only one country, but it is the whole world. And, you all remember what happened in 1922-23: In one and a half years, one pound of butter, one pound of meat, went from 5 marks, to a trillion marks. And then, the system simply stopped, out

of its own absurdity.

This time, this is happening in Southeast Asia, Latin America, eastern Europe, Russia. Plus, you have the added impact of the \$100 trillion equivalent of the derivatives bubble. This time, however, the danger is that you will reach a breakdown of the system, not over the span of one and a half years, but condensed into a few months or weeks.

IMF policy in Asia

Last week, the IMF announced the biggest bailout package in its history. South Korea was supposed to get \$57 billion; but less than a week after that, the South Korean finance minister admitted that the total short-term debt of South Korea, unfortunately, was \$100 billion, and, therefore, the package had to be doubled. The South Korean banks, alone, in June, already had a debt of \$116.8 billion, plus \$50 billion for their foreign subsidiaries. At that point, the foreign exchange reserves of South Korea were \$30 billion; it was already down to \$5 billion last week. So, South Korea, in all likelihood, cannot be saved with \$100 billion; the figure that is being

talked about behind the scenes, is \$200 billion! Just in the last four days, except Friday, the South Korean currency, the won, collapsed by 10% every day; and the only reason that it did not collapse more, is that there was a limit put by the banking system, and they stopped trading after that limit was reached. So, the won lost 40% in four days; on Thursday, it lost 10% in *four minutes!* And then they closed down trading. The won lost 88% since the end of September. That means nothing else, than that the entire foreign debt of South Korea is 88% times more expensive, and therefore, practically unpayable.

Similar situations have occurred in Indonesia, where the ruppiah lost 38%; the Thai baht lost 18%; and so forth and so on.

Obviously, Japan is intensely tied to the Southeast Asian crisis. The Japanese banking system officially has a bad debt of \$1.5 trillion, and they will need, at a minimum, between \$0.5 trillion and \$1 trillion — maybe \$1.5 or \$2 trillion — to be bailed out. The IMF was supposed to announce a bailout package on Thursday, on Friday, and now, maybe next week — who knows?

Havel on the cultural roots of the political crisis

In a speech before Parliament in Prague on Dec. 9, 1997, Czech President Vaclav Havel issued a scathing indictment of what he called the “post-communist morass” which has engulfed the nations of eastern Europe under the International Monetary Fund’s free-trade policy. While much of his criticism



would be rightly taken as an attack on the ultra-monetarist Vaclav Klaus, the former prime minister whose government fell over the weekend of Nov. 29-30, Havel’s analysis has more general application — attacking the separation of politics and economics from morality, a separation which dominates the entire world scene.

“Fascinated by our macroeconomic data,” he said, “we disregarded the fact that these data, sooner or later, reveal also that which lies beyond the macroeconomic or technocratic perception of the world; . . . the moral order behind that system of rule, that is essential for making the rules work; a climate of coexistence. The declared ideal

of success and profit was turned to ridicule because we allowed a situation in which the biggest success could be achieved by the most immoral people, and the biggest profits could go to unpunishable thieves.

“Paradoxically, the cloak of liberalism without adjectives, which regarded many things as leftist aberrations, concealed the Marxist conception about a foundation and a superstructure: Morality, decency, humility in face of the order of nature, solidarity, regard for those who will come after us, respect for the law, a culture of human relations, and many other things were relegated to the realm of the superstructure, and slightly derided as merely the ‘seasoning’ of life — until we found there was nothing to season: the foundation has been undermined. It has been undermined because — the atheists among you will forgive me — it was not developed in a rigorous climate of the divine commandments.

“Intoxicated by power and success, and fascinated by the discovery, or rediscovery, that a political party can be turned into a marvellous springboard to start up the career ladder, many began — in an environment that took the law so lightly — to turn a blind eye to this and that, until they were faced with scandals which cast doubt on the principal reason for our pride — on our privatization. Human beings are social animals who feel a need to form associations and to take part, even if only from within their own small worlds, in the management of public affairs and in the pursuit of the universal good. This, too, was somehow forgotten: Under the motto ‘the citizen and the state,’ the citizen was thrown into hopeless isolation. . . .”

Russia: the bankruptcy of a superpower

A case which is maybe even more horrifying, is Russia, which is, according to the economist Sergei Glazyev, de facto in a condition of state bankruptcy. The former economics minister, [Yevgeni] Yasin, already last week said that Russia was in a state of financial disintegration, and that they are now seeking a bailout package from the IMF, like South Korea. The problem in Russia, is that the budget is completely out of control. Tax collection is practically at a standstill, because the regions don't see much reason to pay a central government which is clearly not doing anything for them. There is an absolutely desperate effort, just to make it through this month.

How much do you think it will cost to bail out a former superpower? Do you really think that you can solve the gigantic problem of Russia, with an IMF package of \$10 billion, or \$50 billion, or even \$200 billion?

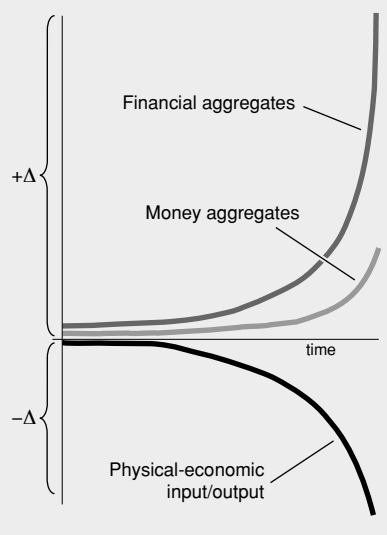
On the crisis in Russia, I want to just give you one sensuous predicate. Prof. Murray Feshbach, who is a professor of demography at Georgetown University, just travelled to Russia, and came back and gave a press conference in Washington, where he gave the following, incredible details: Not only is there a gigantic decline in population (the Russian population is shrinking by 1 million people per year, because the death rate is increasing, and the birth rate is collapsing), but the condition of the population is not less horrible. There is an incredible spread of disease, and of physical deformation, as the result of untreated diseases. Syphilis and gonorrhea, which were treatable diseases, are now spreading, and are not being treated, and the problem is, if they are not treated, they lead to heart disease, and if women have them, their children will be born with brain damage and mental retardation. If the existing AIDS cases were treated, this would require \$7.5 billion by the year 2000, and, under present conditions, this money is absolutely not there. Only 38% of Russian newborn children do *not* have serious health problems. Sixty percent of all children have serious vitamin deficiencies; 30% of the draftees in the Army have psychological disturbances; half of them are mentally retarded. By the year 2000, the drug-resistant form of tuberculosis will have taken over, according to this professor. By the year 2010, if you project current trends, the deaths will have increased 70-fold, and the deaths of children will have increased 90-fold.

This is *without the collapse*. I say this to you, so that when you hear these figures—when Mr. LaRouche talks about a collapse of civilization into chaos like the Middle Ages, or into horrible barbarism, it is not very far away.

After this press conference, a representative of *EIR* asked Professor Feshbach, "Isn't the conclusion, therefore, from what you have presented here, that shock therapy has led to a veritable genocide?" The professor said, "The simple answer to your question is, 'Yes.'" Then, he told us that he told this whole story to an adviser of President Clinton, and this adviser, he said, "just looked at me and said, 'Murray, go home.'"

So, it will take an enormous effort to stabilize that situa-

FIGURE 1
A typical collapse function



Lyndon LaRouche's "triple curve" schematic illustrates the effect of IMF shock therapy on the economies of South Korea, Mexico, and other nations.

tion. Many people in the West have expected that the Russian population, at a certain point, would revolt against this incredible rape and aggression, and it may very well be that this desperate financial situation and the collapse of the Russian banking system will push the situation over the edge. Can you imagine what the consequences would be, if Russia falls into anarchy? What would happen to world peace?

Explosive consequences

Remember Lyn's "triple curve" (Figure 1). Every time the IMF imposes its conditionalities, as it has just done in South Korea, it demands large shutdowns of the physical productive capacity. Like in the case of South Korea: Even with the package of \$57 billion—which, as I said, is not the end of the story—they demanded that 900,000 jobs be cut! Now, that means—on the lower curve, the amount of productive capacity—another downturn, further momentum of destruction of physical capacities. In less than two and a half months, 88% of the won's value collapsed, which means an equivalent increase in the foreign debt service.

Even the ILO, the International Labor Organization, in Geneva, announced that this means catastrophic social consequences for South Korea, and Asia in general. They noted the fact that Asian societies have only very rudimentary social security systems. And therefore, one has to expect that if you cut jobs, if you cut living standards, if you cut production like this, it will lead to very grave social tensions. You should remember that South Korea was a nation formed in war. It emerged in the period between 1949-52; in the Korean War, '54; and it was in a state of war-readiness until the '80s. And now, there is an all-out attempt to destroy the country. Don't

you think that the military, and other institutions of Korea, will offer a strong resistance?

There is, fortunately, very strong resistance emerging, in many countries, like, for example, in the case of Malaysia, where Dr. Mahathir has taken on the speculators. And, just now, at the conference of the Organization of Islamic Conference in Teheran, Mahathir not only attacked the international speculators, who, in just a matter of weeks, ruin countries' efforts to build themselves up, which took 40 years; but further, he linked that—and that is very important—to the fact that it is London which is harboring international terrorism.

Now this resistance which we see now, grouped around Mahathir and others; in Latin America, especially President Fujimori of Peru—this is also supported by President Jiang Zemin. As a matter of fact, China is probably one of the most important countries in this present configuration. The Chinese Communist Party Central Committee and the State Council just had a conference on the national financial situation in Beijing, at the end of November, at which they basically discussed how, in light of the financial crisis of Japan, the bubble economy in Japan, the Mexico monetary crisis, and the monetary crises in Southeast Asia—how they can guard China against monetary risks.

So, there is, without any question, strong resistance. But these are all extremely complex processes, and it is not possible to put simple labels on them. But as of now, we are heading toward hyperinflation: Whenever they pump in liquidity, you have a rapid, sudden surge in the increase of money supply, which is the middle curve. For example, in one week, between Dec. 3 and Dec. 10, according to financial columnist John Crudele in the *New York Post*, in less than a week, the Federal Reserve injected \$10 billion into the banking system: 10% more money supply in 13 weeks. So, every time they pump in money, the middle curve goes up, and consequently, the financial aggregates, which is the speculative bubble on top of that, also go into an even steeper upward slope.

This is going on around the world, and that is the policy of the governments. As the *Neue Zürcher Zeitung* wrote on Dec. 10, the monetary authorities today are much wiser than they were in the banking crisis of the 1930s: They knew how to open the financial sluices widely, when there is a risk to the banking system. We should also remember that already in the spring of 1995, the *Neue Zürcher Zeitung* had written in an article that it is Swiss central bank policy that if a so-called danger of a financial meltdown would occur, the central bank of Switzerland would just print money, regardless of the social and political consequences.

The looting of Ibero-America

Now, let's take a look at the Latin American situation, of which Brazil, right now, is the most explosive case. The nature of the crisis is exactly what sent the famous Mexico crisis into motion in 1994, and the Brazilian government is committing the same stupidity, but obviously the world is in a much worse

condition today. Brazil probably has the largest foreign debt: more than \$200 billion; Mexico also has more than \$200 billion. Brazil, at the end of 1997, has \$320 billion combined foreign and domestic public debt. What is interesting is the amazing rate of change, because in 1996, it only had \$210 billion public debt, and in 1997, \$320 billion—which means a 57% increase in one year. The monthly rate of increase of public debt in Brazil alone is plus \$10 billion.

There is right now a gigantic effort, by the international financial oligarchy, to force governments around the world to privatize their state-owned assets, to use the cash they make from the selling of these assets, to try to feed this debt monster. Brazil did that: They sold 30% of the CVRD, which is the largest iron-ore producer in the world, called Vale [Companhia Vale do Rio Doce]. They sold 30% of this for \$3.3 billion, in May of this year. That means that they sold one-third of their most important physical asset, for the amount the public debt increases in ten days! They would have to sell this Vale 37 times, to cover the debt increase of only one year!

The reason Brazil has such difficulties, is that, because of liberal policies, they had a current account deficit, through a trade deficit and other reasons, which, up to now, was kept covered with a lot of speculative capital coming in. They wanted to attract hot money through high interest rates, but, when the crisis began, they decided to make the same mistake that Mexico did, to use their foreign reserves to defend the currency, the real; they lost, in a very short period of time, \$10-15 billion, and now they have only \$50 billion in reserves left, out of which \$35 billion do not even belong to Brazil—these are monies which foreign investors have invested in the Brazilian stock market. It's so-called "motel money": money which comes in overnight, stays at a motel, and leaves the next morning, if it so pleases. They have increased the interest rate to 40%, to attract foreign investment. But what do 40% interest rates do to the physical economy? If this keeps going for only a couple of months, the physical economy of Brazil will be thoroughly destroyed.

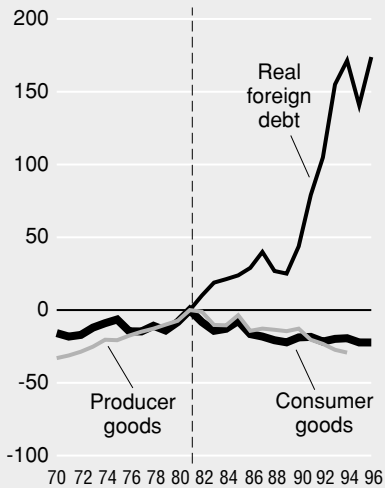
And, like Mexico did in 1994, they are now starting to issue dollar-denominated government bonds, which, in Mexico were the so-called *tesobonos*, which was exactly what blew out the Mexican banking system in 1994. These dollar-denominated bonds are equivalent to the GKO's in Russia, but the difference is that in the Russian case, at least there is a requirement for 30 days' notice, so that if speculators want to pull out, they have to announce 30 days ahead that they are going to do this, whereas in Brazil and Mexico, these monies can be pulled out at a moment's notice.

The government, therefore, is right now planning to deal with the crisis by handing over the national assets to the international financial oligarchy. They already sold \$18 billion worth of such assets. They plan to sell another \$80-85 billion in the next three years. But whenever the stock market crashes, these assets get devalued, and therefore, they have less to sell.

You have to understand that these assets are the hard core

FIGURE 2
Typical collapse
function (Mexico)

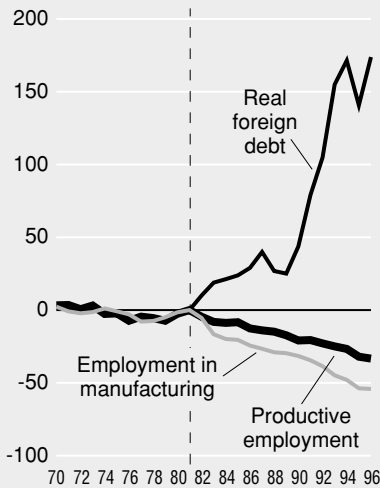
(index 1981=0)



Sources: FAO, ECLAC, UN, World Bank, INEGI, BdM, Conapo, SEMIP, SARH, SHCP, Secofi, EIR.

FIGURE 3
Typical collapse
function (Mexico)

(index 1981=0)



Sources: FAO, ECLAC, UN, World Bank, INEGI, BdM, Conapo, SCT, CFE, SEMIP, SARH, SHCP, Secofi, EIR.

Now, let's take a look at Mexico, because Mexico is being peddled by the IMF as a success story. The *Wall Street Journal*, just yesterday, said, "Look at Mexico, how they dealt with the crisis." That takes some nerve. Since 1981-82, when the Mexican economy peaked, there has been a 30% collapse of the Mexican economy (Figures 2 and 3). This is the triple curve for Mexico, and you can see the collapse of the situation. Mexico today has 50% unemployment—this is a figure given by the official trade unions. Fifty percent! Since December 1994, Mexico lost 5% of its industrial capacity. Since the blowout in December 1994, the Mexican government institution called Fabaproa made a bailout of the banks of \$45 billion, which is about 11% of the GNP of 1997, to cover the nonperforming debt. So, they cleaned up the banks, and after they had cleaned them, they sold them to foreigners. On top of that, they reorganized \$28 billion in bank loans to individuals, through a

of what actually makes a national economy. Vale is to Brazil, what Gazprom is to Russia: It is the most important centerpiece of the national economy.

There is right now, a major effort by the Hongshang bank, by George Soros, by NationsBank, by the British, to buy up CESP, which is the largest electric utility company of the state of São Paulo. They produce 14% of the electricity of all of Latin America. They want to basically free it of debt and then sell it for \$20 billion. *Fourteen percent of the ability to produce electricity for all of Latin America, is supposed to be sold for \$20 billion, in the face of this amount of debt?!* The Brazilian President, Cardoso, was just in London and Cambridge, and was honored there. In a speech, he was called "Plato's ideal ruler . . . the Julius Caesar of Brazil." Cardoso said in response, "Cambridge is the essence of what we have to gain." Now, if you don't have a case of a British agent here, I don't know what is one!

It is most interesting that the same week, Cardoso made such a shameful appearance in London, that the former President of Brazil, General Figueiredo, signed the open letter to President Clinton for Lyn's exoneration. That reflects how "down to the knife" this battle for the nation of Brazil has become. The situation is so volatile, that Brazil could go within a week. If the hedge funds decide to attack Brazil, as they did in the case of Malaysia, or the other Southeast Asian countries, Brazil could go, like Malaysia, South Korea. Remember that the Brazilian economy is *half* of Latin American industrial capacity.

mechanism called UDI, a kind of accounting unit.

So, if you look at the Mexican case, only 27% of the Mexican banks' loan portfolios were solvent; three-quarters of the Mexican banking system blew out. Did that help Mexico? No! In 1994, the Mexican official foreign debt was \$136 billion, and in addition, there was \$76 billion in de facto foreign debt, because that could be demanded to be sold at any moment. So, before the explosion in December 1994, you had \$212 billion in real debt; in 1995, you had a slight contraction, because of the blowout of the system, so it went down to \$188 billion. But already in 1996, the debt went up to \$214 billion, being bigger than before the explosion (Table 1). And now, in 1997, the total debt of Mexico is about \$250 billion, a lot of which is short-term.

Obviously, this means that the middle curve has become much steeper; the bottom curve has collapsed by one-third, and, of that debt increase, basically from 1995 to 1997, a lot was used for the bailout of the banking system. So, the bad debt of the banks simply is now the debt of the government, and they sold the banks off, gave it to foreign investors.

President Zedillo, at the APEC conference in Canada, urged Asian nations to act quickly. He said, "You have to bite the bullet immediately; you cannot fool around even for a few weeks. With a financial problem as big as we had, and as big as it seems to be happening now in some Asian countries, you have to show strong support for the domestic banking system." He added that you have to adjust expenses, you have to raise taxes. This will be very unpopular with the voters.

TABLE 1

Real foreign debt

(billions of \$)	1993	1994	1995	1996
1) Public foreign debt	84	89	118	112
2) Private foreign debt	35	47	41	68
—owed by banks	20	25	21	?
—owed by companies	15	22	20	?
Official foreign debt (1+2)	119	136	159	180
3) 'Internationalized' internal debt*	26	32	5	3
—foreign-held Cetes, etc.	25	4	3	3
—Tesobonos	1	28	1	0
4) Foreign holdings in the stock market	55	44*	25	31
De facto foreign debt (3+4)	81	76	29	34
Total (1+2+3+4)	200	212	188	214

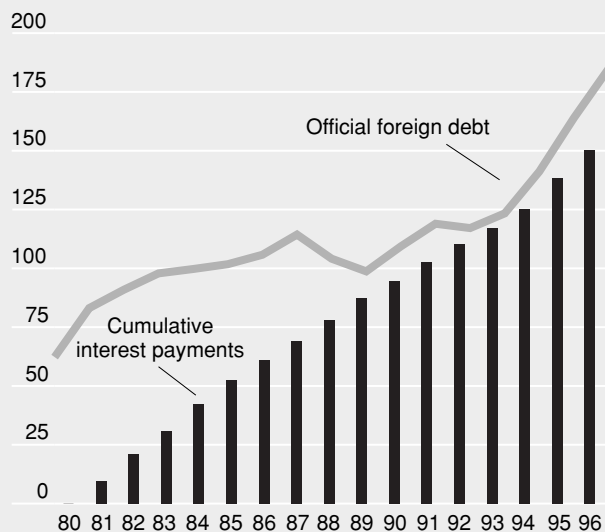
*as of Dec. 15, 1994

Sources: World Bank, ECLAC, BdM, SHCP, Secofi.

FIGURE 4

Foreign debt and interest payments

(billions of \$)



Sources: World Bank, SHCP.

Unfortunately, “the common man in the street thinks that only the bankers are being saved, but that’s not true,” Zedillo argued.

Well, it is true! What else is true? The most important thing for these people, is to save the banks, to save the foreign owners, and it doesn’t matter to them what happens to the people, what happens to the national economy. Saving the banks: that is the issue. This is the increase in foreign debt and interest payments (Figure 4). And this, keeping in mind that you have 50% unemployment, which is not in this figure, but there is an equivalent increase of the people who are living in the *maquiladoras*. So, of the few people who have jobs, nearly 40% are living in the *maquiladoras* (Figure 5), which means they have a pathetically low caloric intake, not much better than the level of the concentration camps of Nazi Germany.

So, saving the banks is genocide. But this has come to an end, and it doesn’t work anymore. As the South Korean case demonstrates, or Japan, or Russia, all these efforts to bail out the situation just mean a new round. The maelstrom is still spiralling, and there is no bottom. The only thing which can happen, is that the governments, very quickly, put this bankrupt financial system out of its misery, or, you will have a dissolution, a disintegration of the system, in the way it happened in 1922.

Roots of the crisis

How did the world come to this point of terrible crisis? If you want to find a solution, we have to find the source of the sickness.

The reasons for the present crisis are not to be found in economics; they are the result of the paradigm shift that occurred approximately 30 years ago: the introduction of a whole bunch of new axioms of thinking.

After the Cuban missile crisis, the financial oligarchy came to the conclusion that they could afford to have a post-industrial service economy, a service-sector economy, where industries are no longer necessary; because they thought that a big war with the Soviet Union would no longer be on the agenda, they started systematically to go for these kinds of changes. This was the time when the sex-drug counterculture was introduced, and a lot of ideas like globalization and so forth started to have an impact. Like “dumbing down” the youth; if you give youth access to ever-more-satanic rock music, if you dump LSD, marijuana, Ecstasy on the markets, people’s brains tend to become dysfunctional. This all led to the Baby Boomer cultural paradigm shift. I will not talk about that, because I am absolutely certain that Lyn will talk about it at length tomorrow.¹ I only want to mention that in Germany, it was the values of the 1968 generation.

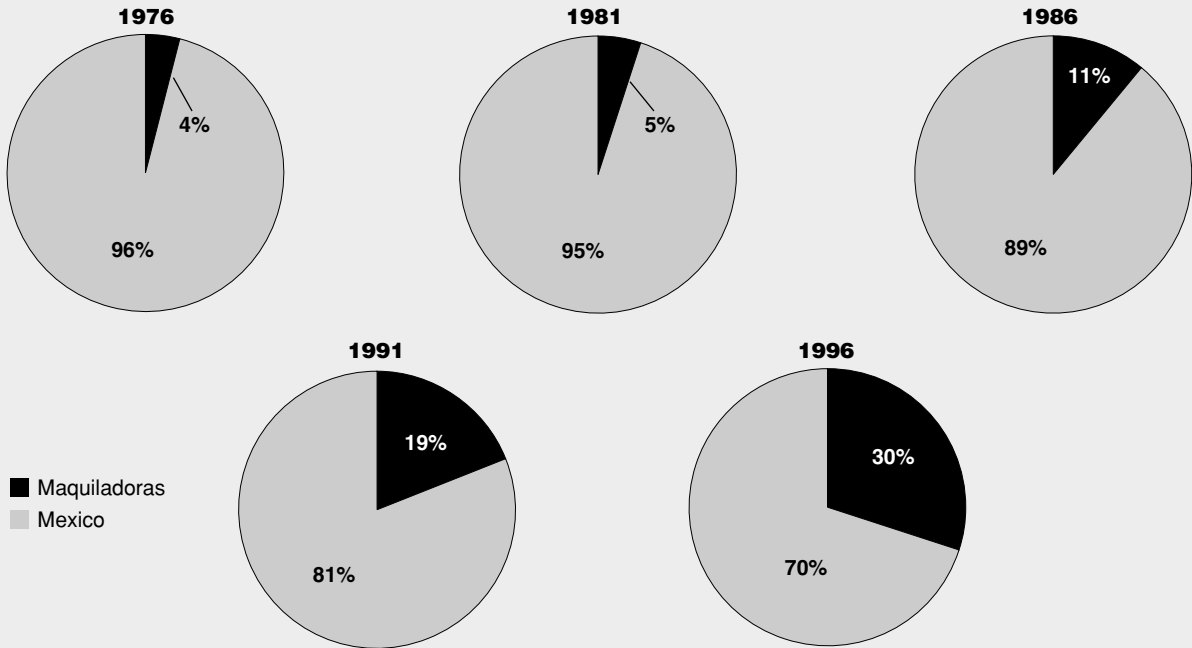
Now, the irony is, that if you look at the so-called Revolution of ’68, a lot of these students were influenced by Maoist ideas, or, more precisely, the ideas of the Cultural Revolution in China. This was characterized by a violent hatred against scientific and technological progress; it later became the ecologist movement. These people, the ’68ers, started their “march through the institutions,” and they are now in posi-

1. See Lyndon H. LaRouche, Jr., “The Comet of Doom,” *EIR*, Jan. 2, 1998.

FIGURE 5

Employment in maquiladoras

(% of total employed in manufacturing)



Sources: INEGI, EIR.

tions of power. The problem is, that while China has successfully gotten rid of all this, and they now regard the values of the Cultural Revolution as the darkest period of China’s recent history, and have abandoned it; they have successfully replaced it with the theory of Deng Xiaoping, and have gone back to the idea of scientific and technological progress—yet our people, the ’68ers, who have successfully marched through the institutions, are now the “Enkel Generation” in the Social Democratic Party, the “grandchildren’s generation.” And [Chancellor Helmut] Kohl, who always talks about the “grace of late birth,” “*die Gnade der späten Geburt*” [meaning born too late to have been able to take part in the Nazi crimes]—that makes him an early ’68er too, at least judging from his policies.

The problem is, that this ’68 generation has rejected, and is still rejecting, everything that was the basis for the reconstruction of Germany after the war. If you think back, to how Germany was able to rebuild itself from the rubblefield at the end of the Second World War: It was through scientific and technological progress; it was through state banking, like the Kreditanstalt für Wiederaufbau. It was especially the Humboldt educational system, which at least taught people some basics of what it means to be a state citizen; obviously, the Brandt reforms took that away.

The source of the sickness in the economy is not the econ-

omy: It is this change of values, which has led to a situation where politicians who have grown up in this period have tended to make wrong economic decisions, which have led to this destruction. So, it is not the ideology as such which necessarily has this economic result, but it influenced these politicians to again and again go for the wrong solutions.

Therefore, unless we have a very radical change, and abandon all the values which came with the ’68 generation and the paradigm shift of the ’60s, this world is going to be doomed.

What must be done

The kinds of policies which have to be implemented, we have elaborated many times, and therefore, I only will mention them very, very briefly.

The only solution to this situation is that President Clinton conducts an international emergency summit, to which he invites other countries, especially countries like China, India, other large countries, and those other countries that want to participate. In an emergency meeting one fine weekend, he declares the present banking system to be bankrupt; he announces the decision to establish a New Bretton Woods System, Bretton Woods II, based on more just principles, and then basically says that the global reconstruction of the world economy, with the centerpiece being the Eurasian Land-

Bridge, is the necessary focus of such a reorganization, meaning that a crash program would be implemented to unleash the productive potential of all countries in the world, to go for full productive employment, and then push through infrastructure projects, economic development, in all parts of the world, from Eurasia, to the Middle East, into Africa, into Latin America, and reconstruct the world, with the same kind of effort by which Germany was rebuilt after the war.

A very important step in that direction was made, when President Jiang Zeming visited the United States at the end of October, and agreed on a strategic partnership with President Clinton. This was very important and necessary, but unfortunately, as I and some members of the Schiller Institute were telling people in China in September, the dimension of the crisis is such, that it is simply not enough to do something positive and then do nothing after that for five weeks! What counts right now, is momentum! And that is the big problem.

If this reorganization is not done, civilization is doomed, because people lack the moral fitness to survive. If this reorganization is not done, we will plunge into a new Dark Age. If we don't give up the cultural axioms of the post-1968 period, European civilization will disappear, and chaos and barbarism will prevail.

I don't know if each of you is conscious that we are about to lose European civilization. If you don't believe it, all you have to do is go to your local theater and try to see a Classical performance, and what you will find is *Regietheater* [performing a re-edited script, instead of the original text of a play] and hardly recognizable ideas of the great poets. The irony is that it is exactly in this European culture, in general, and in the Greek and German Classical tragedies, where the lessons are to be found which we could use to save ourselves, if we just chose to do so.

Last month, there was, in the *Frankfurter Allgemeine Zeitung*, an extremely intelligent article, by a certain Dr. Barbara Zehnpfennig, about the positive example which *The Federalist Papers* of Alexander Hamilton could play, for the future of Europe. She argues that Europe can only be founded on the basis of a great vision, a great idea, and not on some cost-benefit-accounting thinking, which is obviously what is going on right now. She makes the obvious but forgotten point, that one really does not need a new idea, but only the realization of the very fundamentals of European heritage: the ideas of the Greek Classics and of Christianity, which, after all, had a dimension for all of the universal history of mankind, and only need to be realized, to solve the present crisis.

It is noteworthy, that this Mrs. Zehnpfennig is an assistant at the University of the Bundeswehr in Hamburg, and one can only hope that some people there are taking this to heart.

The lessons of the Greek tragedies

I want to take up the challenge of Mrs. Zehnpfennig, and therefore look at the Greek Classical period, especially the great Greek tragedies, to see what we can find there which

The Classical roots of European civilization

Europeans should study *The Federalist Papers*, to build a sound basis of principles for a unified Europe, wrote Barbara Zehnpfennig, a professor at the University of the German Armed Forces in Hamburg, Germany, in the *Frankfurter Allgemeine Zeitung* on Nov. 28. The article was headlined "The Experiment of a Great Republic: Can Europe Learn from the Creation of the American Union?"

There is much talk about European integration, she wrote, but it creates little excitement, because, as it is being pursued right now, it is only based on cost-benefit calculations. The founders of the American Republic, on the other hand, in order to overcome tensions and differing interests between the various states, held that America must represent universal ideals of humanity in the minds of its citizens. *The Federalist Papers* are very instructive in this regard—particularly those contributed by Alexander Hamilton.

It is particularly important to re-emphasize the two spiritual foundations of European civilization, she argued: the ideas of the Greek Classics, and Christianity, based on its Jewish foundations. By doing that, instead of concentrating on petty day-to-day cost-benefit considerations, a new design for Europe can be developed, and only in this way, can it become the basis for the sound integration of the European nations, Zehnpfennig concluded.

could be relevant to the problem before us.

The period between the Persian and the Peloponnesian wars is, without question, one of the most important periods in history. It is this period, in the fifth century B.C., which really started what we call European history. Already in the Homeric epics, which defined the Greek sense of identity since the eighth century [B.C.], and especially the case of Odysseus, in his fight against the evil god Poseidon, this represents the beginning of a new culture. But it was this period that was correctly called the Greek Miracle. While Athens was relatively unimportant in the Archaic period, which lasted from 750-500 B.C., with the exception, naturally, of Solon's efforts in the sixth century, shortly before the year 500 B.C., Athens was already the most powerful city in Greece.

In the year 500, the Attic plenary meeting supported the rebellion of the Ionian cities in west Asia against the Persians. At the beginning, this rebellion was defeated. In 494, the Persians sent an expeditionary army to punish the Athenians

for their support; however, they could defeat them in the Battle of Marathon, in 490. In 483, the Persians conducted another expedition, and this time, their aim was to destroy and conquer all of Greece.

At that point, Athens started to build a big naval fleet, which transformed the whole city. They built huge shipyards; they invited experts to come from many countries to train the entire population. And the effort against the Persian Empire led to an absolutely amazing organizational accomplishment. They learned to row: the ships at that point were rowed with three layers of oarsmen; they learned to navigate and to maneuver. And, at a certain point, they practically evacuated the whole city, to outflank the Persians. In September 480, the Greeks destroyed the Persian fleet at Salamis, and, at that point, Athens was also ready to free the Greeks in the Ionian cities, and to bring the war into the Persian Empire. They formed the Attic Sea Alliance, in 478, which then led to a rule of Athens over the entire Aegean Sea, which was the first time in world history, at least in European history, that a large section of the citizens became involved in the active formulation of policies.

For the first time, the idea appeared of the responsibility of the citizen; the idea that normal citizens should have a regular political engagement. This led to a new identity of the citizen, and the notion that public service is an honorable affair. In the conscience of the citizens of the middle and lower layers, the idea emerged that they are on the same level as the aristocracy. They gave great importance to the idea of participation in the city's assembly, public meetings, especially the *agora*, the place where not only political meetings took place, but also theater performances. The word "politics" means, in Greek, *ta politika*, which literally translated means "matters of the citizens."

Now, at the first attack of the Persians in 490, Athens had only 9,000 soldiers, the so-called *hopliten*, because these were only citizens from the middle layers, who had enough money to equip themselves. In only ten years, until 480, the city was able to deploy the entire citizenship of the city.

After the war with the Persians, Athens was involved in extraordinary activities, by continuing its sea alliance, and that included most cities and islands in the Aegean Sea, the Bosphorus, the Black Sea, the southwest and south coast of Asia, Cyprus, and Egypt. For about 70 years, 40,000 citizens—men—could maintain rule over more than 100 cities.

In this period, in the fifth century, there was an incredible focus of economic and intellectual life: craftsmanship, trade—goods from all over the world started to be traded; a tremendous increase of knowledge, music, science, cultural optimism, and a sense of performance. There was a very big improvement in the conditions of life. There were two models of how the citizen could behave: There were the *hypsipolists*, which means the highly political ones, who were most concerned with the well-being of the city, and respecting the laws. And, on the other side, the *apolists*, the unpolitical ones, who

were regarded as being against the polists, and who would bring danger to the city.

It is interesting that President Havel, in his speech in front of the Parliament, accused those who have resigned because of something or other, as he said, namely Klaus, who resigned because of corruption—that he attacks them, not so much because of concrete mistakes, but because of their apathy, their nearly hostile attitude against anything which has even a faint similarity with the society of citizens. Especially because this multifaceted society of citizens would not exist; for the Czechs, the collapse of the government would appear as the collapse of the state, or democracy, or even as the end of the world, as Havel said.

Now, I don't know if Havel was thinking about Athens, and the idea of a citizen society, when he said that. But, isn't that the problem of all of our societies today? That we don't have state citizens, that we don't have people who take care of the well-being of the common good? The only reason why corrupt governments are tolerated, why people have accepted the negative elite selection for decades, is the result that because of the paradigm shift of the last 30 years, the majority of the people have become apolitical; they would rather enjoy the "feel good" lifestyle, rather than take care of the common good of society.

Therefore, let's look at how the historic shift in Greek history, in the fifth century B.C., happened.

The idea of citizens' participation was an incredible breakthrough, because up to that point, the only rule which existed was that of the aristocratic oligarchy. What mental steps were necessary to come to this breakthrough?

The tragedies of Aeschylus

Now Aeschylus, the great tragedian who lived from 525-456 B.C., was probably the most important influence in that. He wrote 90 plays, as did Euripides—and maybe Sophocles wrote a similar number. By that number, you can already see that theater and tragedies played an extremely important role in Athens in this period. They were written for the citizens, and the tragedies dealt, in the context of the mythologies, with the issues which concerned the citizens politically. There was even, every year, a competition of the poets of tragedy, in the Dionysian cult festivities. Aeschylus won this competition 13 times; Sophocles 18 times; Euripides 4 times. And, there were hundreds of other tragedies written in this period.

You can imagine, if there were such competitions, and 90 by one such author as Aeschylus, that theater and tragedy had an enormous role in the public discussion. Of all of these poets, Aeschylus was the most beloved.

Now, these performances were not small. For example, at the southern hill of the Acropolis, where probably the theater existed in its earliest form, there was space for about 15,000 people to sit. It is not clear how they solved the problem of acoustics, because they clearly didn't have loudspeakers, so the actors must have had very well-trained voices. But it was

a very large audience, nevertheless.

The most important tragedy of this period was *Prometheus Bound*, which probably was put on stage in 456 B.C. for the first time. The place where this *Prometheus Bound* takes place, is at the end of the world, where the ocean flows around the flat Earth. Remember, people at that time thought that the Earth was flat. And Prometheus, at the end of the world, is chained to a rock, because he dared to save mankind, by bringing them fire, among other things.

The Promethean image is the typification of the Classical Greek. Prometheus was willing to suffer torment for a very long time, rather than give Zeus the secret, to avoid destroying himself. Later in the play, we find out about Io, a young girl from Argos, whose fate it is, according to mythology, to give birth to a son who will be stronger than his father; so if Zeus has an affair with her, and has a son, then this will lead to his own destruction. Only Prometheus knows her name, but he lets himself be tortured for a long period of time rather than reveal it. The Chorus in the play explains how it came about that Prometheus opposed Zeus, and what he did for human beings. At which point, the goddess Thera intervenes, deploys the 100-eyed Argos to watch and protect Io, but then Zeus has Argos killed.

Now, *Prometheus Bound* must have been a complete bombshell, because this was not the Zeus who was the most respected and highest god in the Greek pantheon; he was presented by Aeschylus as a low-spirited, evil tyrant. He was characterized as a despot, an arbitrary ruler, exactly of the kind the Greeks had experienced with their previous oligarchs. This Zeus wants to liquidate people, just because it pleases him to do so. And Prometheus is the only one, he himself being a god, who does not submit, while the other gods try to get him to compromise, which he refuses.

Aeschylus makes clear in his play, that the only way Zeus can save himself, is that he changes, and that he must learn respect for those who are subjugated under him. The idea that the highest god of Olympus must change, if he wants to save himself, was the completely revolutionary idea. It meant that he would have to accept justice, and a completely new, different knowledge, if he wants to maintain his rule.

It is also detailed extensively in this play, what exactly Prometheus did for the humans. He started by giving them hope, so that they would not fearfully be fixated only on their death. He teaches them the movement of the stars, numbers, inventions, writings, constructions, taming of wild animals, navigation, medicine against illness, mining, and so forth. Prometheus suffers for mankind, and gives man what the gods wanted to preserve only for themselves.

This play, you must imagine, was incredibly courageous, since it was written for the citizens who participated actively in political life. They knew that the story of the tragedy was to be understood in the political context of Athens.

Aeschylus was about 25 years old when the Ionian rebellion occurred, and he fought himself in Marathon, against the

Persians. It was during his lifetime, that these extraordinary changes occurred, and when *Prometheus Bound* was performed, he was 69 years old, and it was the same year that he died.

Prometheus Bound is the story of the transformation of society, where one set of axioms is replaced by another. The question of the identity of the individual is posed: What is the role of the individual with respect to God, with respect to the cosmos, with respect to nature; what is right and what is wrong? This period is the first known case in European history where man becomes conscious of ideas, of the *idea* of an idea, and for that, man had to be freed from the rule of evil gods.

The difference between the Archaic and the Classical art also underlines this in an obvious way. In the Archaic art, which also is Egyptian art, you have fixed statues, while in Classical art, you have the beautiful Greek culture, people in unbalanced motion, which always represents, with motion, ambiguity. It demands that the mind put the elements together, and it uses the senses to appeal to the mind, to basically form an idea.

Therefore, if you talk about the beginning of European civilization, the Greek tragedies, especially Aeschylus, are the first step. Without the Greek tragedies, the ideas of Socrates and Plato would not have been possible. And with that, the Greek Classical superior method, the idea of the generation of ideas, without which there would be no scientific progress, could not have occurred. The Greek Classical period, as represented in great tragedies, culture, city-building, the academy of science, and then, Christianity, which built on that great tradition, and took it beyond, by the concept of man in the image of the loving God — who would doubt that this is indeed the foundation of European culture. And, at a moment in history when that beautiful civilization is about to be destroyed, because people don't care any more about it, because, especially in the last 30 years, we have turned away from the axioms of thinking, not only of the Greek Classics, but also of Christianity — we have fallen into the trap of the evil Prince Philip, who suggested to return to the pre-Christian pagan cults of Gaia, of Isis, of Cybele. These are not only pre-Christian cults; these are also pre-Greek-Classic cults. This means to go back to the imperial rule of the gods of Olympus.

At a point when European civilization is about to be destroyed, because the modern-day whimsical gods of Olympus, the IMF, the World Bank, the hedge funds, the investment banks and the speculators, who think they are like Zeus in *Prometheus Bound*, willing to liquidate the human race, just in order to keep their system of oligarchical rule — don't you think the moment has come, that each of us should become a Prometheus? The reasons why we do have such a civilizational crisis, is because we have forgotten that the problem of oligarchism exists. And that the self-proclaimed gods of Olympus, for whom only one thing counts: save the banks and the foreign investors; make sure the debt is paid; and, even if we have to extract the debt as a pound of flesh, as

Shakespeare illustrates the case in *The Merchant of Venice*. And President Havel is quite right, that a society where state citizens hold elected governments and parliaments accountable, such a society can function. And if such a citizenship is lacking, the problem—not only in the Czech Republic—is that society collapses.

The evil oligarchs, that's one thing. But the apolitical ones, the people who do not care about the well-being of society—they are the real problem.

So, you have to blame nobody but yourself, if your civilization collapses.

What we are looking at, in trying to find the solution to this problem, is not the "facts." It is not objective analysis of statistics, which will tell us what is the nature and the cure for the financial crisis. It is much more than that; it is the crisis of our entire civilization; it is in tragedy, Classical tragedy, where we can find the answers.

What is tragedy?

Now, what is tragedy? It is a historical situation where demands are posed to the heroes of the play, which cannot be fulfilled on the accustomed level, but which have to be fulfilled, nevertheless. Not every head of state or other figure in a leading position is automatically a tragic hero, when he is confronted by such an unsolvable situation, because to be a tragic hero, it requires that a leader recognize the metaphysical and personal values which cause him, if need be, to sacrifice himself, to keep his moral independence.

Schiller recognized that two fundamental laws belong to tragic art: first, there has to be a presentation of profound suffering; and second, there has to be a portrayal of a moral independence within this suffering. Tragic art has to make sensuous the moral independence from laws of nature, in the moment of passion. Now, if these values don't exist, if this integrity, to sacrifice yourself if need be, is not there, then tragedy dies. If there is no sense of responsibility for the suffering caused by the contradiction of the conflict, there is no tragedy: There is only misery. And that is what we have in many cases today. Not tragic heroes, but victimology, the psychology of victims.

Now, in his literary bequest, Schiller writes: We are human beings, and we have a destiny. We are under the rule of lawfulness. We must therefore awaken a higher, more powerful force inside ourselves, and exercise it, so that we re-create ourselves. Tragedy does not make gods out of us, because gods can't suffer; but, it makes heroes out of us, that is, divine human beings, or, if you want, suffering gods, Titans.

There is no difference between Classical tragedy and world history, especially in such moments as the one we experience right now, when the whole order of society is collapsing. A tragic character is essentially a divided character, one in whom is incorporated the dividedness of a humanity whose values create an apparently insoluble situation.

Now, imagine such a character on stage: a man in the most



A monument to Friedrich Schiller (left) and Goethe, in Weimar, Germany.

powerful position in the world, in a world which is collapsing, because of inherent flaws of its culture. Think of a character on stage who is such a divided person. On the one side, he is part and product of this collapsing civilization; on the other hand, he has a conscience. He knows that on his acts or non-acts, depends the well-being or suffering of virtually billions of people, in the present and for generations to come. He even knows that a solution exists, which only he can realize: he, the only man in the universe who can do that. But the problem is: this man is surrounded by intrigues; he has extremely powerful opponents, who seek his destruction, and the problem is also that his idea of the new political order, the one which represents the solution, is relatively vague, and his motives are mixed. So, while he knows a plan of action, he hesitates; he waits; he wavers; he delays; he temporizes. He becomes the retarding element in history. But then, events follow in rapid succession, press upon each other, and the act of decision is taken out of his hands. And when he finally acts, it is too late.

I looked around and wondered which poet would have written a tragedy about this subject, and which plays would deal with the issues in the best way, and I did find it. It is the



Wallenstein's Camp, painting by Georg Melchior Kraus, 1806. In the first part of the trilogy, the political conflicts are suggested which will be developed later, such as the clash of values among the officers, and the profound divisions in the conscience of General Wallenstein himself.

story of the Wallenstein trilogy of Schiller, and I'm going to talk about it now at some length, because I want to motivate you to go home and read this play in great detail, and you will get a lot out of it.

The 'Wallenstein' trilogy

All of the great historic tragedies are dealing with the great antinomies of political life: the conflict between power and justice, of political deeds and conscience: "Wo um der Menschheit grosse Gegenstände, Um Herrschaft und um Freiheit wird gerungen. . ."—"Where people struggle around the great objectives of mankind, of power and of freedom. . ." says the Prologue to *Wallenstein*. It is obvious that it is the *Wallenstein* trilogy, which bears most upon the problem we confront today. It is the story of the commander-in-chief in the Thirty Years' War, Wallenstein, and it deals with a state affair of tremendous scope and complexity, which Schiller has artfully elaborated in all of its multifaceted and multi-nuanced character. Therefore, it has great similarities to the present, which also does not allow for simplistic labels.

The historical setting of the tragedy is the Thirty Years' War. The central point of the drama, the deed around which everything revolves, is Wallenstein's betrayal of the Emperor in Vienna, and his break from the court. Wallenstein's motive lies in his goal to bring an end to the long war, and, by getting hold of the crown of the King of Bohemia, positioning himself to control the situation in all of Europe, which, for him, is the

precondition to bring peace. This brings him in conflict with the Emperor in Vienna, who was forced to give Wallenstein absolute control over the army in the previous time of emergency, and who wants now to push back his army, and to weaken Wallenstein's power.

The trilogy is artfully composed in one poetic unity, starting with "Wallenstein's Camp," where, in the wild world of the soldiers, which, however, is held together by the beloved commander-in-chief, all the conflict on the level of the officers is already reflected. Then, in the second part, "The Piccolomini," the conflict between Wallenstein and his followers, on the one side, and his opponents representing the court in Vienna. And finally, "Wallenstein's Death," where the hesitating and delaying Wallenstein is finally overrun by pressing events.

"Wallenstein's Camp" is a mirror image of the situation of the Thirty Years' War, in which the political conflicts already appear in a minor form,

which later will appear as a clash of values among the officers, and finally, as profound divisions in the conscience of General Wallenstein himself. The camp seems to be, at first glance, a coherent force: a state within the state, the only force of cohesion above the religious and ethnic tensions, representing unity of the realm, by the Hapsburg Court, which represents the Spanish and Southeast European interests, and then, of course, you have the Swedes. But this coherence in the camp is treacherous, because, while the army loves the general, and is willing to follow him to death, they have sworn their oath to the Emperor.

This underlying conflict erupts when the rumor is spread in the camp that the army should give up Bohemia, and be divided. That eight regiments should join the army of the Infant, who wants to move from Milan to the Spanish Netherlands. According to Schiller, this rumor pops the whole situation in the camp. Schiller calls this the "pregnant moment," in which the germ of the entire tragedy to unfold is already there. This news causes unrest. It all of a sudden makes clear, that this army, the army of the Emperor, is at the same time the most powerful weapon in the hands of Wallenstein, who opposes the Emperor. The conflict is already visible; the conflict which is threatening to unload itself, the moment Wallenstein decides to go for a break.

And indeed, Wallenstein's part is not easy. The only way to arrive at peace and unity in the realm, is to use the army of the Emperor for a policy hostile to the interests of the Hapsburgs. For one group of soldiers, around Wachtmeister,

they can keep freedom only as a force of soldiers against the Hapsburgs. For a second group, this is lawlessness. And for the regiment of Max Piccolomini, who is the closest follower of Wallenstein, they condemn the Emperor, insofar as he carries out the Dutch and Spanish policies; they love Wallenstein as a general, but they also respect the Emperor as the representative and head of state, to whom the general is subject. They reach a resolution of the conflict, so that they can keep both their freedom and their honor.

The Pappenheimer want to stay with Wallenstein, but not through upheaval. They want Max Piccolomini to represent the just cause of Wallenstein with the Emperor, which turns out to be a wishful illusion, as the sermon of the Cappucin monk illustrates, because the conflict between the Catholic Hapsburg policy of the Emperor, and the supraconfessional policy of unity of the realm of Wallenstein, is insurmountable. The monk makes the same arguments, which in the second part of the play are held by Questenberg, the representative of the court with the Piccolomini. This Questenberg has already a secret order from the Emperor in his pocket, which takes the command away from Wallenstein and gives it to Octavio Piccolomini, the father of Max, and places a ban on Wallenstein, when Wallenstein tries to stretch out his secret negotiations with the Swedes, and hesitates to openly enter an alliance with them.

Schiller makes clear, at various locations, that Wallenstein is concerned with the well-being of the people. And even though he is also motivated by ambition, power, and glory, that does not really weaken the constructive nature of his political ideas. In a discussion with Count Terzky, he makes clear that he does not intend to let the Swedes have a part of Germany.

Now, why does Wallenstein not go ahead? Why does he hesitate? Given the circumstances, Wallenstein can accomplish his positive political idea, to bring peace to Europe, only by acting with *Entschlossenheit*, against the Emperor, against the Swedes, against his own generals, and, in a way, even against his own army. This could be only accomplished through momentum. He fails, not because he wants to betray the Emperor, but because he makes up his mind for the break too late. But because Wallenstein does not make up his mind, he swings back and forth between the conflict of authority of the Emperor, the idea of the realm, and his own ambition, and he fails. When the secret negotiator with the Swedes, Sesin, gets captured, a forced situation has developed, where he really only has the choice to either give up all his plans altogether, or to move ahead with the break openly. But, he still hesitates. The mistrust of the court in Vienna, and the plan, which so far is only an idea in his head, really force him to act, but he still wants to preserve his ability to decide.

The consequences on the army are disastrous. The regiment of Max Piccolomini is nearly won over, to fight with Wallenstein for the realm, but then they become the victim of

an intrigue, carried out by Buttler, on behalf of Vienna, and they turn away from Wallenstein. Then Buttler tells them that Terzky's regiment ripped down the eagle of the Emperor from the flag, and replaced it with Wallenstein's sign; this, they can't follow. They would fight in a fake alliance with Wallenstein for the realm, but not against the Emperor, to whom they have sworn an oath, in his capacity as the head of state—especially not when they find it out in this way.

Wallenstein's hesitation has also given plenty of room for the intrigues by Octavio, who has pulled over the General Staff to his side. So, Wallenstein loses control over the generals and the army, and even his personal appearance does not have an effect any more, on the same people who loved and feared him only a short time earlier, and who would have done everything for him.

The sequence of political motives and events already accounts for the tragic development of this state affair. But Schiller has introduced another dimension to the drama, through the figure of Max Piccolomini, who is the most faithful follower of Wallenstein, but who absolutely cannot agree with his betrayal, who is convinced to do the right thing, in following along his own conscience and heart, and who recognizes, in the end, that that too was not sufficient. Schiller calls the love between Max and Thekla, the poetically most important part, and it is clear that he sympathizes with them, and the courage and purity of their hearts, because they represent the high ideals. They are what Schiller calls "the children of the house," "the beautiful souls."

When Max's heart gets into conflict with itself, between the loyalties to the beloved general, his oath to the Emperor, and the attachment to his own physical father, the only thing which he is left with, is a heroic death. The love between Max and Thekla doesn't have a chance for a happy ending, under these circumstances. It gets crushed by the tragedy of the state affair. But it is exactly that, which makes it eternal. It is the idea of Schiller expressed in "Shakespeare's Shadows," that destiny ennobles man, when it crushes him.

What happens in the trilogy, is that an entire action of three parts is condensed into only four days, which, including the reviews and the outlooks given by the different characters, represents the entire history of Wallenstein and the Thirty Years' War. The capture of the secret negotiator, Sesin, becomes the *punctum saliens*. It marks the step from the freedom of the deed, to the constraints of events. It is the step from non-acting, to the necessity of action. But the problem is, it was not Wallenstein who made that choice. The capture of Sesin embodies the condensation of the whole historical, political scope of the situation. And everything else is just the consequence of that fateful event. But Wallenstein has been incapable of taking the law of action into his own hands, which also weakens him, obviously, in the eyes of Wrangel, the Swede, who knows that Wallenstein has no choice but to give the Swedes certain rights, if he does not want to capitulate to the Emperor.

Listen to Wallenstein's great monologue, before the meeting with Wrangel:²

“Wärs möglich? Könnt ich nicht mehr, wie ich wollte?
Nicht mehr zurück, wie mirs beliebt? Ich müßte
Die Tat *vollbringen*, weil ich sie *gedacht*,
Nicht die Versuchung von mir wies — das Herz
Genährt mit diesem Traum, auf ungewisse
Erfüllung hin die Mittel mir gespart,
Die Wege bloß mir offen hab gehalten? —
Beim großen Gott des Himmels! Es war nicht
Mein Ernst, beschloßne Sache war es nie.
In dem Gedanken bloß gefiel ich mir. . . .”

Which means that Wallenstein is now confronted, that he has to act, though he is not ready for it. And he reveals the truth, that what really prevented him from acting resolutely, when there was still time:³

“Ein unsichtbarer Feind ists, den ich fürchte,
Der in der Menschen Brust mir widersteht,
Durch feige Furcht allein mir fürchterlich —
Nicht was lebendig, kraftvoll sich verkündigt,
Ist das gefährlich Furchtbare. Das ganz
Gemeine ists, das ewig Gestrige,
Was immer war und immer wiederkehrt,

2. Wallenstein:

“Were't possible? Could I no more, as I wished?
No more return, as it pleases me? I must
Perform the deed, because I *thought* of it,
Drove the temptation not from me — my heart
Did nourish with this dream, for an uncertain
Accomplishment have laid aside the means,
Have merely kept the pathways to it open?
By the great God o'th' Heavens! I was not
In earnest, 'twas ne'er a decided thing.
Myself I merely flattered with the thought;
The freedom and capacity enticed me.”
— Act I, Scene 4

3. Wallenstein:

“It is a foe invis'ble, whom I feared,
Who in the breast of men opposes me,
By cowardly fear alone to me appalling —
Not what proclaims itself alive and forceful,
Is dangerously terrible. 'Tis what's
Quite common, the eternal yesterday,
What always was and always reappears,
And tomorrow's good, because today 'twas good!
For out of what is common is man made,
And force of habit he doth call his nurse,
Woe's him, who moves his worthy ancient house
Effects, the precious heirlooms of his forebears!
The *year* exerts a consecrating force,
What's gray from age, that is to him divine.
Be in possession and thou dwellst i'th' right,
And holily the crowd will guard it for thee.”
— Act I, Scene 4

Und morgen gilt, weils heute hat gegolten!
Denn aus Gemeinem ist der Mensch gemacht,
Und die Gewohnheit nennt er seine Amme.
Weh dem, der an den würdig alten Hausrat
Ihr rührt, das teure Erbstück seiner Ahnen!
Das *Jahr* übt eine heiligende Kraft,
Was grau für Alter ist, das ist ihm göttlich.
Sei im Besitze und du wohnst im Recht,
Und heilig wirds die Menge dir bewahren.”

What Wallenstein says, is that he is afraid of the opinions of his generals and soldiers, who still believe in the old Hapsburg Empire, the old order, even if it has wrought only destruction and war. It's his imagination of what the beliefs of his companions are, namely, their belief in the axioms of the old order. It's the fear of Hamlet, of the unknown; the fear that he stands alone, and that his century is not yet mature enough for his far-reaching vision.

This is exactly the fear which leads our politicians to base all of their actions on Gallup Polls. But there is such a thing as the inexorability of the cause of history. The power of history, which Schiller calls *nemesis*, world history is the world court.

In the end, shortly before his death, when the audience already knows, because Schiller lets them participate in the irony of the content of the real situation Wallenstein is in, and his self-delusions. Because exactly now, you see all the warning signs Wallenstein was looking for all the time: They are there! Which, in part, accounted for his hesitation before, that he was looking for such signs. There is the dream of Countess Terzky, and the horrible warnings of Seni, the astrologer. At this point, Wallenstein pushes everything back, explains it as all having natural causes. His blindness to the approaching catastrophe is enormous.

“The economy is sound,” one hears today, as people talk about the crisis in Asia, or, as some people say, “it was just a glitch.” Whenever you hear that, you'd better have shivers of tragedy down your back, because *nemesis* is not far away.

Our tragedy today

But the tragedy which we experience today, is not on the stage: It is our lives, our civilization. The question is, who is the tragic character of the present. Is it President Clinton, the man in the most powerful position in the world, the one who is uniquely in the position to realize the necessary reforms, but who has powerful opponents, like Wallenstein, who is surrounded by intrigues, like him, and who, so far, has shown a very similar tendency for delay and hesitation to act? Will he break in time with the gods of Olympus, who are willing to liquidate millions of people, to save the banks?

Or maybe the tragic character of the present, the person threatening to become a tragic hero, is somebody else.

Think of a man who, in his vision represents the truth, which will be beneficial for the entirety of mankind, for many



Lyndon and Helga LaRouche visit a memorial in West Berlin to German resistance fighters against Hitler, Oct. 11, 1988.

centuries to come. Think of this man, who has the beautiful, rich mind of a genius, who has the sublime ability of passionate love for mankind. Let the gigantic effect of the realization of his ideas rise in your soul. Imagine all the children, all the adults, all the old people in all the countries around the globe, who will be happy as the result of his success. Think of this man, in whose mind past, present, and future are condensed in one moment. Should this man be prevented from applying his knowledge for the rescue of our tortured mankind?

Well, Lyn predicted, for the first time, in 1958, that this monetary system would come to an end. The reason why he could make this prognosis, was based on his breakthrough in physical economy, because he recognized that the laws of the universe are not linear, that systems analysis, information theory, do not account for economic processes. And already, at that point, he gave as the perspective, that at a certain point, the choice would be either a just, new world economic order, or fascism.

It was Lyn who, in the 1960s, was the only person who, in an efficient way, recognized the danger of the emerging counterculture, and who started to build a movement around the axioms of the old Classical culture. He designed a plan for a new, world economic order. He worked on development plans for Africa, for Latin America, for the Eurasian Land-Bridge. He had the grand vision for a just world order, more beautiful than outlined by Alexander Hamilton in *The Federalist Papers*. He put the great challenge out, that mankind indeed should be able to build a political order based on justice, not only for one country, but for the whole world.

The oligarchy recognized that already, in the '60s. They recognized, when he only was one man, that there was a new

Prometheus, who brought fire and knowledge to mankind. And, they chained him to the rocks, with intrigues, with slanders. They confused his character, by favors, and the hatred of the contending parties. The image of his character was slandered. And finally, they chained him in physical terms. But, he, too, demanded that the gods of Olympus change. He even offered them, to save their system, provided they would change, which they refused to do, in 1982. And now, the system of the gods of Olympus is coming to an end.

If we want to turn the situation around, it has to occur in the United States, or else, civilization is doomed. It cannot be turned around from anywhere else. So, it has come down to this: Anyone who is not supporting us in this effort, is not serious about saving his or her country. Anyone who does not look back at mankind's fate, from that universal perspective, who says, "I don't go there," "I don't let that get to me," is not serious. He is apolitical, and therefore, he contributes to the destruction of society.

Let me suggest to you, that it is not we, who are in danger of becoming the tragic heroes of the present: It is *you*. It is up to you, to show the *Entschlossenheit* needed, to prove that you are not part of a tragic generation. Maybe there are enough among us, who can recognize that current history is doomed, and that we have to reject the axioms of thinking of the last 30 years, which have led to this crisis. If enough people among us can see, that we are experiencing, today, a real, live, Classical tragedy, maybe we will be able to find the road to survival of our nations, by understanding the answers to the great issues of mankind, in the way they were presented to us, by the greatest tragedians of the past, especially Aeschylus, Shakespeare, and Schiller.